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OPLA~Notes

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for the Maine State Legislature*

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Newsletter Greetings

Welcome to this edition of OPLA~Notes. This edition includes an article on the Maine Health Care System and Health Security Board that was created by the Legislature in 2001, including information on the feasibility study being conducted by the Board to determine the economic impact of a single-payer plan on individuals and businesses. This edition also includes an article on the Legislative Youth Advisory Council that was created

by the Legislature in 2001 and an article on the new mandatory alternative dispute resolution process in the Maine Superior Court. Lastly, this edition of the newsletter includes an article on major substantive rules reviews during the 120th Legislature's Second Regular Session.



Maine Health Care System and Health Security Board

The Health Care System and Health Security Board was created by the Maine Legislature to assess the feasibility and cost of implementing a single-payer health care system in Maine. Such a system would provide health care coverage to every Maine resident through a single-payer, the State of Maine. The Legislature opted to study this issue when LD 1277, An Act to Establish a Single-payor Health Care System, which was enacted in the House of Representatives, was not removed from the Special Appropriations Table and died upon adjournment of the First Regular Session of the 120th Legislature. Legislative language to establish the Health Security Board was added to the Part II budget, Public Law 2001, chapter 439, Part ZZZ.

The Health Security Board, chaired by Senator John Martin and Representative Paul Volenik is a bipartisan task force with 19 members including representatives of both branches and both parties within the Legislature, the Department of Human Services, the State Employee Health Commission and the State Tax Assessor and representatives of provider organizations, employers, insurers and advocacy groups. The Board's purpose is to "develop recommendations to provide health care coverage to all citizens of this State through a plan or plans that emphasize 24-hour coverage, quality, cost containment,

choice of provider and access to comprehensive, preventive and long-term care."

Among the charges to the Health Security Board is a mandate to conduct a feasibility study of the economic impact on individuals and businesses of a single-payer plan that guarantees a minimum 5% savings over existing health care costs and that addresses the potential positive or negative impact of the plan on the State's economy. To meet its mandate, the Board has contracted with Mathematica Policy Research, Inc., a national health care consulting firm with offices in Washington, D.C., Princeton, NJ and Cambridge, MA, to conduct the feasibility study. The Board chose Mathematica after a competitive bid process that garnered proposals from five prominent national health care consulting firms specializing in economic modeling.

The Health Security Board expects the Mathematica study to encompass an analysis of different funding options and different benefit configurations and model the impact on the economy and individuals of various plan configurations for a single-payer system. The analysis will consider the differential impact of the proposed system on citizens in different income categories and with different health coverage arrangements. The analysis will also consider the impact on businesses and their employees, differentiating between businesses that currently provide health benefits and those that do not.

Specifically, the study will address the following factors:

- the expected costs associated with providing coverage to the uninsured and underinsured in the State;
- the potential savings to the health care system in the State attributable to elimination of cost-shifts and administrative simplification, including the elimination of marketing costs, multiple and competing enrollment infrastructures, medical underwriting expenses and the reduction in administrative capacity currently required by providers to handle multiple claims filing and billing procedures;
- a base-line estimate of aggregate savings or increased costs associated with universal coverage provided through a single-payer system derived from the estimates above; and
- the impact on individuals and businesses of various financing mechanisms for the model, includ-

ing but not limited to, payroll taxes, income taxes, other taxes and premium payments to determine the net impact of the proposed system on the health care costs of private citizens at different income levels and a variety of employer arrangements (fully insured workforce, uninsured workforce, insured workforce plus retiree health benefit plan and mixed workforce).

Mathematica has also been asked to provide the Board with:

- a projection of costs for a three-to-five year period going forward, using different economic assumptions to obtain best case, most likely case and worst case scenarios for health care expenditures under the modeled system;
- an analysis of the economic impact (ripple effect) of implementing the model on health care professionals and facilities and their employees and health insurance companies and their employees and insurance producers;
- an analysis of the need and impact of a transitional system and a proposed design for such a system that may be more feasible to implement in the short term than a single-payer system; and
- an analysis and proposed methodology for addressing health care costs paid by other lines of insurance (long-term care insurance, workers' compensation, automobile insurance and general liability insurance) and in other settings (State correctional facilities and schools).

The Board began meeting with Mathematica in early August and plans regular meetings and telephone consultations throughout September, October and November. At the Board's direction, Mathematica will use Maine-specific data, to the greatest extent possible, in its simulation and analysis of the cost and economic impact of a single-payer health plan. The Board has received permission to use aggregated health care claims data from the State MaineCare program (formerly Medicaid), Anthem Blue Cross and Blue Shield of Maine and the Maine Health Management Coalition, a coalition of some of the State's largest public and private employers.

The Board's feasibility study is supported by a grant of \$200,000 from the Maine Health Access Foundation, Inc., the state's largest private nonprofit health care foundation. The Foundation was created as the result of the sale of the non-profit Blue Cross and Blue Shield of

Maine to Anthem Blue Cross and Blue Shield (a for-profit health care insurer). In addition, the Health Security Board received \$10,000 in seed money from the Legislature and has raised over \$34,000 from private sources to support the project, including a \$27,500 donation from nurses associations in Maine, Massachusetts, Pennsylvania, New York and California.

The Health Security Board expects a draft report from Mathematica in mid-October and a final report by the end of November. Under the contract, Mathematica will also deliver a computer software program that can be used by the Legislature on an ongoing basis to model the cost and economic impact of a single-payer plan if further changes in benefit design, financing or other parameters are made. The Health Security Board will make its full report to the Legislature, including any recommended legislation, on December 1, 2002.

Did You Know?.....



The Maine Coon is the largest breed of cat, weighing as much as 30 lbs. It is the only breed to have originated in the United States. It is thought by early settlers to be a cross between a wild cat and a raccoon. It is 4 to 5 times larger than the Singapura, the smallest breed of cat.



Once there were 120 covered bridges in the state of Maine, but fire, flood, ice, progress and the Great Freshet of 1896 have removed all but eight original bridges. The remaining covered bridges are scattered throughout the state. They are [Lowes Bridge](#), [Robyville Bridge](#), [Watson Settlement](#), [Babbs](#), [Lovejoy](#), [Hemlock](#), [Bennett](#), [Sunday River](#) and [Porter-Parsonsfield](#).

LEGISLATIVE YOUTH ADVISORY COUNCIL

During the First Regular Session of the 120th Legislature, legislation was enacted that created the Legislative Youth Advisory Council (the "Council"). The law (PL 2001, c. 436, Part PPPP) creating the Council is derived from LD 1779, An Act to Create the Legislative Youth Advisory Council, which was sponsored by Representative Michael Quint and unanimously endorsed by the Joint Standing

Committee on Education and Cultural Affairs on May 3, 2001. The law creating the Council took effect on July 1, 2002, and the Council subsequently held their first meeting on August 15th and a second meeting on September 20, 2002.



Legislative Youth Advisory Council Chair Rep. Michael Quint announces the opening of the Council's first annual seminar on leadership, government and the Legislature. August 15, 2002.

The council consists of three legislators and 18 youth members from around the State. Ten of those members, including one member of the Senate, are appointed by the President of the Senate and 11 members, including two members of the House of Representatives, are appointed by the Speaker of the House of Representatives. Two of the youth members are home-schooled, six attend Maine colleges and ten are Maine high school students.

The first appointed member of the House serves as the Legislative Chair and the Council is directed by law to elect one of the appointed youth members as the Youth Co-Chair. Representative Michael Quint, being the first appointed member of the House, is the Legislative Chair of the Council. The other Legislative members are Representative Carol Weston and Senator Lynn Bromley. At their first meeting on August 15th, the Council elected Ms. Molly Feeney, of Knox, as the Youth Co-Chair. Ms. Feeney is a member of groups involved in civil rights and peer mediation and is a member of her high school's Student Advisory Council.

Appointments to the Council are for a term of two years, except that the initial appointments were staggered so that only half of the Council's membership will expire each year. Members whose terms have expired may be reappointed, provided they are still eligible under the age and schooling criteria set forth in the law.

The purposes of the Council, as set forth in the law, are to advise the Legislature on proposed and pending legislation, state budget expenditures and policy matters related

to youth; advise the joint standing committees and study commissions, committees and task forces on issues related to youth; conduct an annual seminar each August on leadership, government and the Legislature; and to report annually to the Legislature. The Council is authorized to submit legislation and requires that the Council meet at least six times per year and conduct two public hearings per year on issues of importance to youth.

The law also directs the Council to examine issues of importance to youth, including, but not limited to, education, employment, strategies to increase youth participation in municipal government and State Government, safe environments for youth, substance abuse, emotional and physical health, foster care, poverty, homelessness and youth access to services on a municipal and statewide basis.

The Council's first meeting, on August 15, 2002, served as both its organizational meeting and as the Council's first annual seminar on leadership, government and the Legislature. The Council was honored at their first meeting with the opportunity to discuss a broad range of issues with leaders of the three branches of State Government, including Speaker Michael Saxl, the Chief of Staff of the President of the Senate, Governor Angus King, Attorney General Steven Rowe, Chief Justice Leigh Saffley and House Majority Leader Patrick Colwell. The Council members were also provided the opportunity to tour the House and Senate Chambers as the guests of the Clerk of the House, Millicent McFarland, and the Secretary of the Senate, Pamela Cahill.

The Council's second meeting, on September 20, 2002, focused on issues relating to the delivery and effectiveness of alcohol and drug abuse prevention programs for youth. At that meeting, the Council met with four panels comprised of individuals from the State's Juvenile Drug Courts, the State Office of Substance Abuse, alcohol and drug abuse prevention service providers and representatives of the Youth Empowerment and Policy Group.

The Council's upcoming meetings include public hearings in October and November at which the Council will solicit public input on issues relating to youth-related alcohol and drug abuse prevention programs and services. The schedule for those hearings is:

Friday, October 18, 2002

10 AM until Noon

Regular Public Hearing

Room 214 State Office Building

&

1:30 PM to 3:30 PM

Closed circuit interactive video public hearing.

Broadcast originates from Room 103 of the State Office Building with interactive audio and video links to Cape Elizabeth and Belfast High Schools

Thursday, November 14, 2002

Public Hearing

3 PM to 5 PM

&

6 PM to 8 PM

Lecture Room

Bangor Civic Center

Bangor, Maine

If you have any questions about the Legislative Youth Advisory Council, please contact Patrick Norton, Principal Analyst, Office of Policy and Legal Analysis at 287-1670 or at Patrick.Norton@state.me.us

Recent Legal Issues



Mandatory Alternative Dispute Resolution in the Superior Court

Since January 1, 2002, civil cases filed in or removed to the Maine Superior Court are subject to specific alternative dispute resolution (ADR) requirements. Rule 16B of the Maine Rules of Civil Procedure requires an ADR conference to be scheduled and completed within 120 days of the date the court issues a scheduling order for that case. The ADR can take the form of mediation, early neutral evaluation or nonbinding arbitration. If the parties cannot agree on the ADR process to be used, Rule 16B(d) requires the parties to proceed to mediation. If the parties cannot agree on the selection of a neutral, the court will designate one from the appropriate roster of neutrals developed by the Court Alternative Dispute Resolution Service (CADRES).

Cases exempt from the mandatory mediation are:

- Actions for divorce and annulment (Rule 80);
- Forcible entry and detainer actions (evictions) (Rule 80D);
- Small claims appeals (Rule 80L);
- Reviews of governmental action (Rule 80B);
- Reviews of final agency action (Rule 80C);
- Actions for personal injury damages in which the plaintiff requests exemption and certifies that the likely recovery will not exceed \$30,000;
- Actions in which the parties have participated in statutory prelitigation screening or dispute resolution processes including medical malpractice and Maine Human Rights Act cases;
- Actions for nonpayment of notes in mortgage foreclosures and other secured transactions;
- Actions by or against prisoners in state, federal or local facilities; and
- Actions exempted by the court on motion by a party and for good cause shown but only where the motion seeking exemptions is filed within 30 days of the date of the scheduling order.

The 114th Maine Legislature created the Commission to Study the Future of Maine's Courts and charged it with designing a system of justice that will meet the judicial needs of citizens in the 21st Century. One specific focus directed by the Legislature was the expansion of the availability and use of alternative dispute resolution mechanisms. The Judicial Department established the ADR Planning and Implementation Committee in response to the Futures Commission's recommendations. The committee conducted a pilot project of Superior Court cases filed between July 1, 1995 and July 1, 1997 in two pairs of counties (Androscoggin and Aroostook, and Kennebec and Sagadahoc) in which ADR was required, using a third pair (Oxford and Penobscot) in which no ADR was used, as a "control." The results of the pilot project, analyzed by the University of Southern Maine's Muskie Institute, showed that the participants found the conferences useful, and that ADR increases the frequency and speed of settlement, resulting in fewer cases requiring trials. This is the foundation on which the Court, working with the ADR Committee and the Civil Rules Committee, has based the mandatory mediation requirements of Rule 16B.



LEGISLATIVE REVIEW OF AGENCY RULES 2002 UPDATE

Once again in 2002, the Legislature completed review of numerous major substantive agency rules under the Maine Administrative Procedure Act (MAPA). Since amendments to the MAPA were enacted in 1995, certain agency rules known as major substantive rules may not be finally adopted by an agency until they have been reviewed by the Legislature. Review of major substantive rules was required to address the concern of legislators that agencies sometimes fail to comply with the intent of the Legislature in adopting rules and that the Legislative branch needs to exert sufficient oversight of Executive Branch rulemaking activities.

Major substantive rules are agency rules that the Legislature has designated as such in the authorizing legislation. Ordinarily they will be rules that the Legislature, when granting rule making authority, anticipates will be controversial or complex or that will have a significant impact on the public. Examples of rules designated as major substantive mercury standards in water, Clean Election Law procedure, Medicaid eligibility determination, qualifications for professional foresters and the establishment of a centralized voter registration system. Rules that are not designated major substantive by the Legislature are considered routine technical rules and are not subject to legislative review.

Following review of major substantive rules, the Legislature may authorize final adoption as proposed by the agency, authorize adoption with specified changes to be made by the agency or deny authorization for final adoption. Prior to final adoption as authorized by the Legislature, major substantive rules are only provisionally adopted and may not be enforced by the agency. If the Legislature fails to act on major substantive rules during the session that the rules are submitted for review, the agency may finally adopt and implement them without further legislative approval.

The review process for a major substantive rule by the Legislature consists of a referral of the rule in the form of a legislative resolve to the appropriate joint standing committee; review and consideration of the rule identified in the resolve by the committee; and issuance of a committee report recommending action on the resolve to the full Legislature. The committee's review includes consideration of whether the rule exceeds the scope of the

agency's authority, conflicts with other laws; is necessary to accomplish the objectives of the authorizing legislation and is reasonable in its impact on the public. Both chambers of the Legislature consider the committee report and, if passed, send it to the Governor for signature.

During the Second Regular Session of the 120th Legislature in 2002, the Legislature reviewed 18 major substantive agency rules submitted by adopting agencies. The 18 rules were submitted to the Legislature in the form of resolves. The resolves were referred to nine committees, scheduled for hearing, discussed in committee work session and reported out. Fifteen of the rules were approved for final adoption; one was not authorized to be finally adopted (a Department of Conservation rule on timber harvesting performance standards); and two other resolves authorizing rules "Died Between the Houses." Seven of the rules were approved as submitted and eight of the rules were approved with changes to be made by the agency. Three of the rules amended existing rules.

In addition to review of provisionally adopted major substantive rules, the Legislature passed legislation in 2002 granting new rulemaking authority to certain agencies. In total, 14 new major substantive rules requiring legislative review were authorized by laws passed this year.

Internet Intersection

Policy and Government



The Election Center: The Election Center is a non-profit organization consisting of government employees who work in the field of election administration and voter registration. The center performs research concerning the similarities and differences in state or local election laws, regulations or practices.

www.electioncenter.org

Maternal and Child Health (MCH) Policy Research Center: This website offers information about health-care issues affecting children, including those with special health care needs and those from low-income families. Users can find information on current projects and publications.

www.mchpolicy.com

Law and Legislative Reference Library: Provides access to the URSUS catalog, collections information, reference information, legislative history instructions, interlibrary loan information and lists of Justices for the Maine Supreme Judicial Court and Maine Attorneys General. The Library's website also includes an in-house index to NCSL Legisbrief, a two-page issue brief published by the National Conference of State Legislatures (NCSL). The website also offers the submittal of research requests via e-mail.

www.state.me.us/legis/lawlib



Science and Technology

ScienceDaily: An online magazine and web portal that provides information on science, technology and medicine. Magazine articles are selected from news releases submitted by leading universities and research organizations around the world. This website also offers links to major science media and other sources of science news on the Internet, 300 science newsgroups and free weekly email bulletins that summarize the top science news of the past week.

www.sciencedaily.com

ExactSeek: ExactSeek.com is an Internet search engine that allows users to conduct standardized web searching, as well as targeted searches of specialized databases. Currently, users can use niche search engines to locate newsletters, articles, police and investigative sites.

www.exactseek.com

Reference



Political Dictionary: The Political Dictionary provides users with terms used by policymakers, journalists, commentators and analysts, in discussing national and international politics.

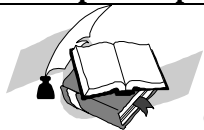
www.fast-times.com/political/political.htm

General Interest



ParkMaps.com: This website maps and information on parks, museums, amusement parks and golf courses worldwide. The site can be searched by region.

www.parkmaps.com



OPLA Publications

- **Bill Summaries of the 120th Legislature, Second Regular Session:** Summarizes all legislation considered by the OPLA staffed Joint Standing Committees of the Legislature and describes bills, committee amendments, other relevant amendments and the final action taken on each bill. There are also copies of bill summaries for each individual joint standing committee available. Bill summaries can also be found on the OPLA website at the following address:

www.state.me.us/legis/opla/billsumm.htm

For bill summaries of the Appropriations and Financial Affairs Committee and the Taxation Committee, please contact the Office of Fiscal and Program Review (OFPR) at 287-1635 or visit the OFPR website at the following address:

www.state.me.us/legis/ofpr/billsumm.htm

- **Study Reports** - A listing of study reports of legislative committees and commissions categorized by year beginning in 1973 is available from OPLA. For printed copies of any of these reports, please contact the Office of Policy and Legal Analysis. The first copy of a report is free; additional copies are available at a nominal cost. In addition, many of the recent legislative studies staffed by OPLA are available on the OPLA website at the following address:

<http://www.state.me.us/legis/opla/reports2.htm>

A Word About OPLA

The Office of Policy and Legal Analysis (OPLA) is one of several nonpartisan offices of the Maine State Legislature. It operates under the auspices of the Legislative

Council. The office provides professional staff assistance to the joint standing and select committees and study commissions, including providing policy and legal research and analysis, coordinating the committee process, drafting bills and amendments, analyzing budget bills in cooperation with the Office of Fiscal and Program Review and preparing legislative proposals, reports and recommendations.

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